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BOND VOTE FOR STRUCTURALLY UNSAFE SCHOOL BUILDINGS

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BOND VOTE FOR STRUCTURALLY UNSAFE SCHOOL BUILDINGS.

Legislative Constitutional Amendment. Permits approval by majority vote, rather than two-thirds vote, to pass bond issue for purpose of repairing, reconstructing, or replacing structurally unsafe public school buildings. Financial impact: No direct cost but increased use of bonded debt due to reduced requirement for voter approval is anticipated.

YES**NO**

(For Full Text of Measure, See Page 10, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote on this legislative constitutional amendment is a vote to permit local entities to authorize, by a simple majority vote rather than two-thirds vote, general obligation bonds for the purpose of repairing, reconstructing, or replacing public school buildings determined to be structurally unsafe for school use.

A "No" vote is a vote to retain the present two-thirds vote requirement for authorization of such bonds.

For further details, see below.

**Detailed Analysis by the
Legislative Counsel**

The Constitution **now** requires approval by two-thirds of the votes cast on the proposition by qualified electors of a county, city, town, township, board of education, or school district, before any such governmental entity may incur an indebtedness for any purpose, when the indebtedness exceeds its income and revenue for the year.

This measure would amend the Constitution to reduce, from two-thirds to a simple majority, the vote of the electors required to approve the proposition to issue and sell general obligation bonds when the bonds are to be issued for the purpose of repairing, reconstructing or replacing public school buildings which have been determined, in the manner prescribed by law, to be structurally unsafe for school use.

**Statutes Contingent Upon Adoption
of Above Measure**

The text of Chapter 426 of the Statutes of 1972, portions of which were enacted to become operative if and when the above amendment is approved, is on record in the office of the Secretary of State in Sacramento and will be contained in the 1972 published statutes. A digest of that chapter is as follows:

Permits school district bonds to be issued upon approval of simple majority, rather than two-thirds, of votes cast in case of bonds proposed for purpose of repairing, reconstructing, or replacing a school building in compliance with so-called Field Act.

Cost Analysis by the Legislative Analyst

The state constitution permits school districts to issue general obligation bonds for the construction and repair of school buildings with the approval of two-thirds of the participating voters. To prevent excessive debt, the total amount of outstanding school bonds may not exceed an amount equivalent to five percent of a district's assessed valuation.

This constitutional amendment would permit school districts to issue bonds with the approval of a majority rather than two-thirds of the voters in the case of bonds to be used for the repair or replacement of structurally unsafe school buildings. School bonds issued for any other purpose would continue to require the approval of two-thirds of those voting on the matter.

The Department of Education reports that approximately 1,600 school buildings in California do not meet earthquake safety requirements. Most of these buildings are in urban areas such as Los Angeles, San Francisco, Oakland and San Diego. Under existing law, these buildings must be repaired or abandoned by June 30, 1975.

The total statewide cost of repairing or replacing unsafe school buildings is estimated to be \$635 million. School districts must raise this money through local override taxes, through local bond issues, or through state loans.

In the 1970-71 fiscal year, school districts held elections on a total of approximately \$450 million in bond issues for the repair or replacement of unsafe school buildings. Of this amount approximately \$50 million received the necessary two-thirds vote of approval. Another \$50 million failed to receive even a simple majority vote. The remaining \$350 million received a majority vote ranging between one-half and two-thirds and therefore would have been approved by the voters had this proposed amendment been in effect. For this reason, if this constitutional amendment is adopted, it can be anticipated that a substantial portion of the money needed by school districts for the repair or replacement of unsafe school buildings would again be proposed to the voters. Local debt so approved by the voters (plus interest) would be repaid by school districts over a 20-year period from revenue raised by local taxes.

School districts could also apply for a state loan to repair or replace unsafe school buildings. The state is authorized to lend ap-

(Continued on page 24, column 2)

Argument in Favor of Proposition 9

A YES vote on Proposition 9 is required in order to guarantee the safety of California's school children. Voting in favor of this measure will allow California's school districts to meet the legislative mandate that all school buildings in the state built 39 or more years ago be updated to current earthquake structural standards by 1975. The state requires our children to go to school. We cannot permit them to be housed in unsafe buildings.

Proposition 9 will allow a majority of the voters in a school district to determine whether bonds shall be voted for replacement of these old, unsafe buildings. Other school bond issues would not be affected.

Some 1,700 of these school buildings are in use in California. The students who almost daily are taught in them are in imminent danger of their lives and well-being in the event of an earthquake.

Time and time again voters in local school districts have given a majority vote to these issues, but proponents have not been able to gather the necessary two-thirds majority.

It is our contention that the safety of our school children is such an urgent priority that it dictates lowering the vote requirement to a simple majority.

It is important to point out that the bond issue where the simple majority requirement will prevail is ONLY when replacement of older, earthquake-threatened buildings is involved. School bonds for any construction purpose other than replacing unsafe schools will still require a two-thirds vote.

Without allowing school districts to replace unsafe schools by July of 1975 many buildings will simply be abandoned. There is no other alternative. Inability of school districts to replace unsafe buildings will result in a great number of students being transported to overcrowded or double session schools.

But above all else is the fact that the very lives of California school children are endangered by the buildings in which they learn. Millions of dollars are spent daily to educate these children—while their safety is ignored.

California has a stark history of earthquakes. Fortunately, all major earthquakes in California have occurred when school was not in session.

In effect, to overlook the problem is to play a grim game of Russian Roulette with the lives of our young.

The voters of this state have a chance NOW to bring our schools up to date structurally with a YES vote on Proposition 9.

GEORGE R. MOSCONE
State Senator, 10th District

WILSON RILES
State Superintendent of
Public Instruction

LEROY GREENE
Assemblyman, 3rd District

Cost Analysis by the Legislative Analyst

(Continued from page 23, column 2)

proximately \$310 million on a matching 1 for such purposes. However, school districts might not desire to borrow state money, for when a school district borrows from the state it becomes subject to state regulations (1) prescribing maximum classroom size and cost per square foot, and (2) placing strict limits on the use of the borrowed funds for non-classroom construction.

Rebuttal to Argument in Favor of Proposition 9

A vote for Proposition 9 is NOT required to guarantee school children safety. Proposition 9 is only one method to replace earthquake prone schools—the method which will make it easier to increase your property taxes by circumventing a constitutional protection against long term debt upheld by the U.S. Supreme Court.

Actually, the Legislature and the people through the approval of Proposition 2 on the June 1972 ballot, and through legislation have provided a means of replacing 60 to 65 percent of earthquake prone schools. Because of dropping enrollments in schools in many districts, numbers of such schools will not require replacement.

Those who support Proposition 9 would attempt to make this entirely a matter of emotion. While it is true that a child attending an older school building is exposed to some risk of earthquake, children attending all schools are exposed to some risk. If we were to totally eliminate risk to school children, we would not permit any bussing because of the potential accident hazard, or might even prohibit walking to school where dangers also exist.

The real question is to measure the problem and to determine how to solve it. Making it easier to increase your property tax is not the solution in the face of property taxes that are already too high.

Do not yield one of the few constitutional protections that you have against higher property taxes. Do not create this loophole which will be used as a precedent for others in the future. Vote NO on Proposition 9.

CLARK L. BRADLEY
State Senator, 14th District

Argument Against Proposition 9

Proposition No. 9 amends Section 40 of Article XIII of the Constitution to reduce the two-thirds bond vote requirement to a simple majority requirement for school construction only and only to replace buildings now structurally unsafe for school use. The issue is directed primarily to the need to replace earthquake prone structures, most of which were constructed prior to 1933.

I do not contest the need to replace some earthquake prone schools but I do protest

sole reliance on the property tax for this purpose. Proposition No. 9 by easing the passage of school bond issues places such sole reliance on the property tax since school bonds are 100% repayable from the property tax.

Proposition 2, which passed on the June 1972 ballot, provides funds from other than property tax sources, i.e., a fund of \$250 million dollars to be matched in stipulated amounts from local resources, specifically for the replacement of earthquake prone schools. The State Allocation Board has estimated that this will take care of 60 to 65% of the school replacement required in California and priority allocations will be made. If the funds provided by Proposition 2 are exhausted, some similar alternative to the property tax should be developed and used for this purpose.

There are outstanding in California today a total of 4.7 billion dollars of school district bonds—approved in each case by two-thirds of the voters of the local districts. The average property tax rate in the past 15 years has risen from \$6.72 to \$11.43, and if the trend continues in the next 15 years, the average will reach \$22.75.

This proposal sets a bad precedent.

A "No" vote is recommended on Proposition No. 9.

CLARK L. BRADLEY
State Senator, 14th District

Rebuttal to Argument Against Proposition 9

The issue is a simple one. More than 1,500 unsafe school buildings in California will

have to be abandoned or made safe by mid-1975 if they are not brought up to earthquake resistant standards. The children in many of these buildings will be transported elsewhere, creating educational chaos for them and their parents.

We agree with Senator Bradley that the state has made \$250-million available to local school districts, but that money is "to be matched in stipulated amounts from local resources." The problem, of course, is that local school districts cannot qualify for the state's matching-funds unless the district can vote its own bond funds.

We are asking a local vote—by simple majority—to get the necessary matching money. There is no other alternative to school districts for replacing these older school buildings. The payments would be spread out over the lifetime of the buildings.

Proponents of Proposition 9 are simply asking that in the situation where the lives and safety of school children are at stake, and ONLY in that situation, the vote requirement for safe schools be a simple majority.

To fail to give a majority of local voters the option to protect their children is an abdication of the democratic process.

GEORGE R. MOSCONE
State Senator, 10th District
WILSON RILES
State Superintendent of
Public Instruction
LEROY GREENE
Assemblyman, 3rd District

BLIND VETERANS TAX EXEMPTION. Legislative Constitutional Amendment. Permits Legislature to increase property tax exemption from \$5,000 to \$10,000 for veterans who are blind due to service-connected disabilities. Financial impact: Nominal decrease in local government revenues.

10

YES

NO

(For Full Text of Measure, See Page 11, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote on this legislative constitutional amendment is a vote to authorize the Legislature to exempt the homes of blind California veterans from property taxation to the amount of \$10,000, rather than \$5,000.

A "No" vote is a vote against increasing this authorized exemption from \$5,000 to \$10,000.

For further details, see below.

Detailed Analysis by the Legislative Counsel

This measure would authorize the Legislature to increase the amount of the exemption for homes of California blind veterans,

(Continued on page 26, column 1)

Cost Analysis by the Legislative Analyst

This amendment authorizes the Legislature to increase the blind veterans' property tax exemption from the current maximum of \$5,000 to \$10,000. If this authority is implemented by enabling legislation, it would result in an unestimate, but nominal, reduction in local assessed valuation, for which local governments would not be reimbursed. The number of eligible California veterans is estimated at about 300.

8 **TAX EXEMPTION FOR ANTI-POLLUTION FACILITIES.** Legislative Constitutional Amendment. Authorizes Legislature to exempt from ad valorem taxation facilities which remove, eliminate, reduce or control air, water or noise pollution to or in excess of standards required by state or local requirements and to provide state subventions to local governments for revenues lost by reason of such exemptions. Financial impact: None in absence of implementing legislation.

YES

NO

(This amendment proposed by Senate Constitutional Amendment No. 70, 1972 Regular Session, expressly amends an existing article of the Constitution by adding a new section thereto; therefore, **NEW PROVISIONS** proposed to be **ADDED** are printed in **BOLD-FACE TYPE**.)

**PROPOSED AMENDMENT TO
ARTICLE XIII**

Sec. 14c. The Legislature may exempt, in whole or in part, from ad valorem taxation, any air, water, or noise pollution control facility.

The term "air, water, or noise pollution control facility" means real or personal property, or a combination of both, in the form of machinery, equipment, installations, devices, fixtures or systems and includes that portion of a commercial or manufacturing unit, system, or process identified as prop-

erty which removes, eliminates, reduces, or controls air, water, or noise pollution so as to produce results which meet or exceed pollution control standards required by applicable law and regulation.

A building is not within the definition of an "air, water, or noise control facility" unless the building is exclusively such a facility.

The Legislature shall have plenary power to define the terms used in this section.

The Legislature shall provide by general laws for subventions to counties, cities and counties, cities, and districts in this state an amount equal to the amount of revenue lost by each such county, city and county, city, and district by reason of any act adopted pursuant to this section. Any act adopted pursuant to this section shall contain an estimate of subvention required for the initial fiscal year in which such act is operative.

9 **BOND VOTE FOR STRUCTURALLY UNSAFE SCHOOL BUILDINGS.**

Legislative Constitutional Amendment. Permits approval by majority vote, rather than two-thirds vote, to pass bond issue for purpose of repairing, reconstructing, or replacing structurally unsafe public school buildings. Financial impact: No direct cost but increased use of bonded debt due to reduced requirement for voter approval is anticipated.

YES

NO

(This amendment proposed by Senate Constitutional Amendment No. 72, 1972 Regular Session, expressly amends an existing section of the Constitution; therefore, **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BOLD-FACE TYPE**.)

**PROPOSED AMENDMENT TO
ARTICLE XIII**

SEC. 40. No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, except that with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing or replacing public school buildings determined,

in the manner prescribed by law, to be structurally unsafe for school use, shall be adopted upon the approval of a majority of the qualified electors of the public entity voting on the proposition at such election; nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the same; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority of the qualified electors, as case may be, voting on any one of such propositions, vote in favor thereof, such proposition shall be deemed adopted.